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# Message Text

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ORIGIN EB-02

INFO OCT-01 ISO-00 /003 R

66604
DRAFTED BYEB/IFD/OMA:GPBALABANIS
9/25/73 EXT 20633
APPROVED BY EB/IFD/OMA:MR. KRIZAY
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R 251525Z SEP 73
FM SECSTATE WASHDC
TO ALL DIPLOMATIC AND CONSULAR POSTS

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INFORM CONSULS

FOLLOWING SENT DEPT OF THE TREASURY SECSTATE WASHDC USINFO
WASHDC FROM NAIROBI 23 SEP 73:

QUOTE NAIROBI 6417

SHUTO 5

E.O. 11652: N/A
TAGS: OVIP (SHULTZ, GEORGE)
SUBJECT: SEPTEMBER 23 PRESS BRIEFING BY SECRETARY SHULTZ

TREASURY FOR ALAN WADE

DEPT. PASS ALL DIPLOMATIC AND CONSULAR POSTS

THERE FOLLOWS THE TRANSCRIPT OF A PRESS CONFERENCE BY SECRETARY SHULTZ AT THE CONCLUSION OF THE C-20 MINISTERIAL MEETING AT THE KENYATTA CONFERENCE CENTER, NAIROBI, ON SEPTEMBER 23, 1973.

"THERE ARE A FEW MAIN POINTS COMING OUT OF THIS (COMMITTEE OF TWENTY MINISTERIAL) MEETING AND I WOULD LIKE TO SUMMARIZE THEM IN A FORM THAT GIVES OUR INTERPRETATION OF WHAT THEY MEAN.

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I WOULD SAY, FIRST OF ALL THAT WHILE THERE WAS GREAT DEAL OF

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IMPATIENCE AND SOME DISAPPOINTMENT EXPRESSED AT THE OUTCOME
OF THE DEPUTIES MEETING IN PARIS, NEVERTHELESS IT WAS APPARENT THAT
THERE HAD BEEN PROGRESS ENOUGH AND EVIDENCE OF POLITICAL WILL
ENOUGH SO THAT THE COMMITTEE FELT IT APPROPRIATE AND POSSIBLE TO SET
A DEADLINE FOR COMPLETING THIS TASK BY THE END OF JULY 1974.

NOW, SO FAR AS WE CAN SEE, THAT OBVIOUSLY CALLS FOR AN ACCELERATED
WORK PROGRAM BY THE DEPUTIES, AND WORKING GROUPS ARE SPECIFIED FOR
THAT. IT INVOLVES AN ACCELERATED WORK PROGRAM FOR THE MINISTERS, AND
SO WE WOULD LOOK TOWARD A MEETING IN JANUARY AND IN THE LATE SPRING,
PERHAPS JUNE, DEPENDING ON WHAT SEEMS APPROPRIATE. I BELIEVE IT IS
FAIR TO SAY FROM THE STATEMENTS AND SUGGESTIONS MADE BY MANY AT THE
MEETING THAT CERTAINLY WOULD EXPECT TO HAVE THE OPPORTUNITY OF
MEETING WITH VARIOUS MINISTERS OF OUR LEADING TRADING
PARTNERS IN BETWEEN THESE MEETING. I WOULD EXPECT--AND I IMAGINE
THE OTHER MINISTERS WOULD ALSO EXPECT TO SPEND A CONSIDERABLE PORTION
OF THEIR TIME WORKING ON THIS MATTER AND MAKE IT A MATTER OF TOP
PRIORITY.

SO I THINK THAT IN TERMS OF THE OUTCOME OF THE MEETING IT IS, IN A
SENSE,
PROCEDURAL RATHER THAN SUBSTANTIVE, SINCE THERE WAS NO SUBSTANTIVE
MATTER THAT COULD REALLY HAVE BEEN DEALT WITH AT THIS MEETING. BUT
THE IMPLICATIONS OF THE PROCEDURAL DECISION, I THINK, ARE STRONG.

IN TERMS OF THE SUBSTANCE, AS I WOULD INTERPRET THE SITUATION, WE HAV
E
A BUREAU DRAFT THAT WILL BE DISTRIBUTED IN DUE COURSE WHICH GIVES THE
BUREAU'S VIEW OF WHERE WE ARE AND SUMMARIZES DIFFERENCES AND
POINTS OF AGREEMENT. WE DO NOT NECESSARILY AGREE ON PRECISELY
EVERYTHING IN THAT DOCUMENT BUT WE REGARD IT AS SOMETHING TO TAKE
NOTE OF AND IT DOES PROVIDE CLARIFICATION ON MANY ISSUES.
WE WOULD EXPECT IN THE NEXT MINISTERS MEETING TO MOVE ON
TOPICALLY, PARTICULARY TO THE COMPLICATED AND DIFFICULT ISSUES
INVOLVING THE SDR AND ITS CHARACTERISTICS AND SOME OF THE
ASSOCIATED MATTERS. WE WOULD EXPECT THE DEPUTIES TO BE
WORKING HARD ON THE OPERATIONAL IMPLICATIONS OF VARIOUS MAIN
ALTERNATIVES ON THE ADJUSTMENT PROCESS AND CONVERTIBILTIY SO THAT
WHEN WE COME BACK TO THOSE SUBJECTS, THE POLITICAL WILL WHICH
WAS SO EVIDENT IN JULY IN WASHINGTON CAN BE EXECISED IN A TRULY
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INFORMED AND CAREFUL WAY. I THINK THAT SUMMARIZES OUR IMPRESSIONS
FROM THIS MEETING.

Q. MR. SHULTZ, YOU NOTED THAT THERE WAS POLITICAL WILL EVIDENT IN
JULY. I HAVE THE IMPRESSION THAT IT IS SOMEWHAT LACKING NOW.
DO YOU AGREE WITH THAT?

A. NO I DONT THINK SO AT ALL. I THINK THAT IF THERE HAD NOT BEEN

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A FEELING THAT THIS GROUP SHOULD TRY TO DO THIS JOB, PEOPLE WOULD NOT HAVE BEEN WILLING TO PIN THEMSELVES DOWN TO A DEADLINE. NOW I EMPHASIZE THE DEADLINE IN EXHIBITING THAT FACT AND, AT THE SAME TIME I WOULD EXPECT THAT WE WILL ROUNDUP MUCH OF THE WORK WELL BEFORE THE DEADLINE. AND NOT WAIT. IT SHOULD NOT BE ONE OF THOSE LAST MINUTE THINGS WHERE YOU DECIDE ON MIDNIGHT OF JULY 31, WHATEVER DAY OF THE WEEK THAT HAPPENS TO BE.

Q. MR. SECRETARY, HOW LONG AFTER THAT WOULD IT TAKE FOR YOU TO HAVE A MONETARY SYSTEM ACTUALLY FUNCTIONING?

A. WELL THAT WAS NOT PINNED DOWN-AND I THINK IT IS HARD TO PIN IT DOWN-BECAUSE ONCE THERE IS AGREEMENT ON BASIS PRINCIPLES AND THEIR SORT OF OPERATING CHARACTERISTICS, AT THAT POINT THE LAWYERS HAVE TO BE INVITED IN TO WORK WITH US AND CONVERTING IT INTO ARTICLES OF AGREEMENT.

I DONT BELIEVE ANYONE HAS TRIED TO ESTIMATE HOW LONG THAT PROCESS WILL TAKE. BUT IT CERTAILY AT THAT STAGE SHOULD NOT TAKE FOREVER. IT WOULD BE A QUESTION OF WHETHER OR NOT IT COULD BE DONE BY THE TIME OF THE ANNUAL MEETING, I WOULD HOPE WE WOULD TRY TO GET IT DONE THEN BUT THE CHAIRMAN DID NOT MAKE ANY COMMITMENT ON THAT POINT.

Q. IT WOULD TAKE ANOTHER YEAR AFTER THAT FOR RATIFICATION?

A. CERTAINLY,ANY AGREEMENT REACHED WOULD HAVE TO GO BACK TO LEGISLA-TURES IN MOST CASES. CERTAINLY IN OUR CASE IN THE U.S., WE WOULD TAKE ANY AGREEMENT BACK TO OUR CONGRESS, THEY WOULD HAVE TO GIVE THEIR BLESSING.

Q. AFTER JULY, COULD ANY PART OF THIS BE PUT INTO EFFECT OR APPLIED ON AN INTERIM BASIS?

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A. YES, I THINK PROBABLY, I AM INCLINED TO THINK THAT IF WE SEE THE OVERALLY SHAPE OF THINGS IT OUGHT TO BE POSSIBLE TO IMPELMENT - WE CERTAINLY WOULD WANT TO IMPLEMENT WHATEVER WE CAN OF THE TOTAL AND WHAT THAT WOULD BE, EXACTLY, I DONT KNOW. BUT WE SHOULD HAVE THAT ATTITUDE AND ONE OF THE MINISTERS MADE A SPECIAL POINT OF THAT-- MR. TURNER OF CANADA.

Q. MR. SHULTZ, DID THE INITIATIVE FOR THE DEADLINE COME FROM THE U.S.
?
IT SOUNDS LIKE THE SORT OF THING THE EUROPEANS TEND TO DO FOR THEM-SELVES IN THE ECC AND DOES OFTEN LEAD TO ALL NIGHT FINAL SESSIONS.

A . WELL, WE WOULD NOT BE LOOKING TO ALL NIGHT FINAL SESSIONS. I BELIEVE THE SUGGESTION WAS MADE BY THE CHAIRMAN. I DON'T RECALL EXACTLY WHO SAID WHAT AT THE MEETING. BUT HE PUT FORWARD THIS NOTION.

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AND THE NOTION OF A JANUARY MEETING AND ONE IN THE L
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# Message Attributes

**Automatic Decaptioning:** X
**Capture Date:** 01 JAN 1994
**Channel Indicators:** n/a
**Current Classification:** UNCLASSIFIED
**Concepts:** PRESS CONFERENCES, MINISTERIAL MEETINGS, COMMITTEE MEETINGS, MONETARY AGREEMENTS
**Control Number:** n/a
**Copy:** SINGLE
**Draft Date:** 25 SEP 1973
**Decaption Date:** 01 JAN 1960
**Decaption Note:**
**Disposition Action:** n/a
**Disposition Approved on Date:**
**Disposition Authority:** n/a
**Disposition Case Number:** n/a
**Disposition Comment:**
**Disposition Date:** 01 JAN 1960
**Disposition Event:**
**Disposition History:** n/a
**Disposition Reason:**
**Disposition Remarks:**
**Document Number:** 1973STATE190421
**Document Source:** CORE
**Document Unique ID:** 00
**Drafter:** GPBALABANIS
**Enclosure:** n/a
**Executive Order:** N/A
**Errors:** N/A
**Film Number:** n/a
**From:** STATE
**Handling Restrictions:** n/a
**Image Path:**
**ISecure:** 1
**Legacy Key:** link1973/newtext/t19730912/aaaaaigw.tel
**Line Count:** 165
**Locator:** TEXT ON-LINE
**Office:** ORIGIN EB
**Original Classification:** UNCLASSIFIED
**Original Handling Restrictions:** n/a
**Original Previous Classification:** n/a
**Original Previous Handling Restrictions:** n/a
**Page Count:** 4
**Previous Channel Indicators:**
**Previous Classification:** n/a
**Previous Handling Restrictions:** n/a
**Reference:** n/a
**Review Action:** RELEASED, APPROVED
**Review Authority:** kelleyw0
**Review Comment:** n/a
**Review Content Flags:** ANOMALY
**Review Date:** 07 SEP 2001
**Review Event:**
**Review Exemptions:** n/a
**Review History:** RELEASED <07-Sep-2001 by reddocgw>; APPROVED <06 MAR 2002 by kelleyw0>
**Review Markings:**

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**Review Media Identifier:**
**Review Referrals:** n/a
**Review Release Date:** n/a
**Review Release Event:** n/a
**Review Transfer Date:**
**Review Withdrawn Fields:** n/a
**Secure:** OPEN
**Status:** NATIVE
**Subject:** SEPTEMBER 23 PRESS BRIEFING BY SECRETARY SHULTZ TREASURY FOR ALAN WADE
**TAGS:** OVIP, EFIN, PFOR, XX, (SHULTZ, GEORGE)
**To:** ALL POSTS
**Type:** TE
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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